



ARIZONA SUPREME COURT
Child Support Guidelines Review Committee
MEETING MINUTES
December 16, 2008
Downtown Justice Center, Phoenix, Arizona

MEMBERS PRESENT:

Hon. Rebecca Albrecht
Mr. Robert L. Barrasso
Hon. Bruce R. Cohen, Chair
Ms. Helen Davis
Prof. Ira Ellman
Ms. Kim Gillespie
Mr. David Horowitz
Comm. Rhonda Repp
Hon. Sarah Simmons
Hon. Kevin White

STAFF:

Kathy Sekardi
Lorraine Nevarez

GUEST PRESENT:

Tara Ellman
Patricia Madsen

MEMBERS ABSENT:

Ms. Gloria Pearson
Ms. Cele Hancock
Hon. Michala Ruechel

Call to Order

Judge Cohen, Chair, called the meeting to order at 10:17 a.m. Judge Cohen welcomed the members and reviewed the meeting materials.

Approval of the Minutes

To approve the October 24, 2008 minutes.

MOTION: The October 24, 2008 minutes were approved and seconded as submitted.

Review Spreadsheet Study Task Group Information and Create 16-cell matrix

Prof. Ellman reviewed the minutes from the Spreadsheet Task Group with the whole committee. The task group met on December 10, 2008 to fulfill the GRC's request to extend the grid to income amounts up to \$20,000 per parent. The spreadsheet committee had previously reported recommended support levels to the full committee for incomes up to \$10,000 per parent, and for 1, 2, and 6 children. Professor Barnow derived recommendations for 3, 4, and 5 children from the task group's numbers for other size families.

Prof. Ellman reported that anomalies were discovered, such as lumpiness in the tax data which led to odd results at the higher incomes, for five children families, in the

conversion of incomes from gross to net. The data has been smoothed to eliminate this problem.

Prof. Ellman reported there was very little data available for either families larger than three children, or for families in the higher income ranges and stated the consultant would formulate a proposal and provide this to the spreadsheet committee before its next meeting. In the interim, the task group would proceed on the basis of two working factual assumptions.

The first assumption is that the increase in child support required as children are added is less for each additional child than for the preceding child. The second assumption as we go to the higher incomes we are now adding to the chart, it is less important to try to achieve equal outcomes along the equal earner diagonal, because the outcome benchmarks become less useful at these higher incomes, and in any event the child's situation would be more comfortable in either households. The Committee also agreed to Burt's suggested changes.

Prof. Ellman reported the task group discussed possible strategies for dealing with the paucity of data with respect to the largest families and especially for higher incomes. One solution the committee found intriguing was to limit the official guidelines to lower incomes, and 3 or 4 children. While a grid would be provided for higher incomes and more children, they would not carry the same force as the official guidelines, allowing more flexible exercise of discretion by judges for these cases. Task group members were given handouts that reviewed the work so far on several dimensions, showing (as a temporary placeholder) linear interpolations prepared by Burt for three, four, and five children. Among other things, the handouts showed both support rates (against NCP net income) and outcomes (as measured against the middle class benchmark) for both the task group figures and current Arizona guidelines. Task group members examined these materials and reaffirmed their recommendations.

The spreadsheet task group then began the task of recommending support amounts for higher incomes, as requested by the full committee. As agreed at its prior meeting, it addressed the task by converting the prior 4 x 4 matrix to a 6 x 6 matrix, with these six income values for each parent: \$1000, \$3,000, \$6,000, \$10,000, \$15,000, and \$20,000. The task group worked with the worksheets in which the initial 16-cell matrix was now supplemented with two additional columns and two additional rows of blank cells, representing the 20 additional income combinations that resulted from this expansion. In addressing how to fill these new blank cells, the task group agreed that as one moved to the southeast portion of the expanded matrix—the portion with the highest parental incomes—the purpose of requiring child support shifted because the high incomes of both parents meant that there was reduced concern that support was necessary to ensure child well-being. Instead, the dual-obligation principle increased in importance as the explanation for the support amounts required in this portion of the matrix. This conclusion meant that one would expect to have support amounts that declined, as a percentage of the NCP's income, as one moved to the southeast corner of the equal-earner diagonal. Task group members filled in all the cells at the perimeter of the 6 x 6

expanded grid, as well as several interior cells, for 1 and 2 children. The understanding was that with the perimeter cells filled, Professor Barnow could complete the remaining empty cells in the grid's interior. The results were provided to the GRC members at the December 16, 2008 meeting.

NEXT STEPS

The committee met after the full committee meeting to review these numbers and complete the task for 6 children. The committee will review this work further at its next meeting. The task groups' expectations are that Professor Barnow will assist the committee to prepare for the February meeting of the full committee. Before the next task group meeting, Professor Barnow will send the spreadsheet task group his suggested method for dealing with the interpolations for different family sizes, and the committee will review the method with him at the meeting.

The committee examined a grid that Prof Barnow supplied extrapolating the committee's prior recommendations for 1, 2, and 6 children to now include 3, 4, and 5 children. Professor Barnow pointed out that this grid, doing a simple linear extrapolation, revealed anomalies in the 2 children recommendations that the committee had approved. The committee therefore revised its 2 children recommendations.

Report of Phase I:

Dr. Venohr will provide a final version of the updated schedule by December 31, 2008. The committee has requested that staff contact Dr. Venohr and ask her to be available telephonically for the January 23, 2009 meeting in order to answer any questions the committee may have regarding the final review products.

The committee broke into task groups to work on revising language in their designated sections. The task groups will bring their proposed changes to the next full committee.

Develop January 23, 2009 Agenda

The Committee proposed the following agenda items:

1. Call to Order
2. Minutes
3. Discuss Phase II Report
4. Breakout session for Task groups
5. Continue to discuss/review guideline sections.
6. Reports from Task groups
7. Committee to resume as a whole

Call to the Public

Public did not comment.

Adjourn

The meeting was adjourned at 2:09 p.m.